

FAMILIES HELPING FAMILIES
OF GREATER NEW ORLEANS, INC.

Audit of Financial Statements

June 30, 2011

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.

Financial Statements
June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Families Helping Families of Greater New Orleans, Inc.

We have audited the accompanying statement of financial position of Families Helping Families of Greater New Orleans, Inc. (a nonprofit organization) (the Organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The accompanying schedule of expenditures of federal awards, which can be found on page 6, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit

of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Taylor & Willis CPAs LLC

Taylor & Willis CPAs LLC

Metairie, LA

December 16, 2011

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011

ASSETS

Current Assets

Cash and cash equivalents	\$ 643,513
Grants receivable (Note 1f, 2)	77,182
Prepaid and other current assets (Note 3)	2,020
Total current assets	<u>722,715</u>

Property and equipment, net

17,840

Other Assets

Prepaid lease expense, net (Note 3)	<u>2,500</u>
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Total assets

\$ 743,055

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 11,008
Accrued payroll liabilities	26,516
Accrued annual leave	25,253
Total current liabilities	<u>62,777</u>

Net Assets

Temporarily Restricted (Note 1c)	6,375
Unrestricted (Note 1c)	673,903
Total net assets	<u>680,278</u>

Total liabilities and net assets

\$ 743,055

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support			
Grant appropriations	\$ 839,253		\$ 839,253
Fundraising	5,973		5,973
Other income	51,973	6,375	58,348
	<hr/>		<hr/>
Total Revenues and Other Support	897,199	6,375	903,574
	<hr/>		<hr/>
Expenses			
Program services - Information and education	\$ 741,028	\$ -	\$ 741,028
Supporting services - General and administrative	110,883	-	110,883
Fundraising	1,215	-	1,215
	<hr/>		<hr/>
Total Expenses	853,126	-	853,126
	<hr/>		<hr/>
Increase in net assets	44,073	6,375	50,448
	<hr/>		<hr/>
Net assets, beginning of year	629,830	-	629,830
	<hr/>		<hr/>
Net assets, end of year	\$ 673,903	\$ 6,375	\$ 680,278
	<hr/> <hr/>		<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 50,448
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	8,311
(Increase) decrease in operating assets:	
Grants receivable	23,001
Other receivables	(411)
Prepaid and other current assets	7,144
Increase (decrease) in operating liabilities	
Accounts payable and accrued payroll liabilities	(757)
Accrued annual leave	(2,158)
Net cash provided by (used in) operating activities	<u>85,578</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment (Note 5)	<u>(14,106)</u>
Net cash used in investing activities	<u>(14,106)</u>

Net increase in cash and cash equivalents 71,472

Cash and cash equivalents, beginning of year 572,041

Cash and cash equivalents, end of year \$ 643,513

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Information and</u>	<u>General and</u>		<u>Fundraising</u>	<u>Total</u>
	<u>Education</u>	<u>Administrative</u>			
Expenses					
Personnel costs	\$ 463,001	\$ 77,233	\$ 818	\$ 541,052	
Conference expenses	61,641	-	-	61,641	
Travel	49,804	8,789	-	58,593	
Occupancy	42,930	6,488	-	49,418	
Contract services	40,718	-	-	40,718	
Printing	22,631	40	85	22,756	
Supplies	15,340	5,612	141	21,093	
Other expenses	17,331	2,460	151	19,942	
Insurance	11,212	-	-	11,212	
Telephone	10,440	-	-	10,440	
Depreciation	-	8,311	-	8,311	
Training expenses	3,327	950	-	4,277	
Postage	1,760	-	20	1,780	
Equipment lease expense	-	1,000	-	1,000	
Repairs and maintenance	893	-	-	893	
Total Expenses	741,028	110,883	1,215	853,126	

The accompanying notes are an integral part of these financial statements.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Note 1 – Summary of Significant Accounting Policies

a. Nature of Organization and Programs

Families Helping Families of Greater New Orleans, Inc. (the Organization) is a non-profit corporation organized under the laws of the State of Louisiana and operates primarily in Jefferson Parish. The Organization's single program is to provide informational support and educational services to area families who have family members with special needs (disabilities) through a coordinated network of resources, support and services. The primary sources of revenue are from Federal, State and local grants.

b. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

c. Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 116 and SFAS 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

1. Unrestricted Net Assets – limited only by the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws and limits resulting from contractual agreements with suppliers, creditors and others entered into by the Organization in the course of its business
2. Temporarily Restricted Net Assets – assets whose restrictions lapse with the passage of time or the satisfaction of a donor imposed restriction
3. Permanently Restricted Net Assets – assets whose restrictions do not lapse with the passage of time and cannot be lifted by the satisfaction of a donor imposed restriction.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Note 1 – Summary of Significant Accounting Policies (continued)

d. In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Significant portions of the Organization's functions are conducted by unpaid officers, board members and volunteers. The value of this contributed time is not reflected in the accompanying financial statements as they do not create nonfinancial assets nor are they specialized services as described in SFAS No. 116.

e. Revenue Recognition

The Organization records contributions it receives as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization receives contributions in the form of "grants" and as cash and noncash donations.

In cases where the contribution is received with a donor restriction, the Organization will record an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Grant revenue is recognized as it is earned in accordance with approved contracts.

f. Grants Receivable

Grants receivable consists of amounts due from the State of Louisiana for grants and cost reimbursement programs. These amounts are presented at fair value and management estimates that all are collectable

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Note 1 – Summary of Significant Accounting Policies (continued)

h. Property and Equipment

The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method over a five to seven year period. These assets are recorded as unrestricted net assets unless a donor imposes a restriction. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period. The cost of repairs and maintenance is charged to expense as incurred; significant renewals and betterments are capitalized. Deductions are made of retirements resulting from renewals or betterments.

i. Income Taxes

The Organization is operating under Section 501c (3) of the Internal Revenue Code, and is exempt from federal, state and local income taxes on all revenues not related to business activities. Accordingly, no provision for income taxes is included in the financial statements. This organization has been classified as an organization that is not a private foundation under Section 509(A). The Organization had no business activity in the fiscal year ended June 30, 2011.

j. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Organization considers all unrestricted cash and other highly liquid investments, which can be converted into known amounts of cash in the short term to be cash equivalents.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Note 1 – Summary of Significant Accounting Policies (continued)

k. Accrued Compensated Absences

The Organization allows the accrual of vacation leave for employees who work twenty hours or more and work a minimum of 1,040 hours per year and who have successfully completed the one-year probation will be allowed to earn:

1. One week for the first two years of employment. To be used after years one and two.
2. Two weeks for years three through five of employment. To be used after years three, four and five
3. Three weeks for years six through nine of employment. To be used after years six, seven, eight and nine.
4. Four weeks for ten or more years of employment. To be used after year ten and subsequent years.

Vacation leave can be taken for no less than an employee's defined work day. The number of hours per work day is defined by the number of hours the employee is hired to work per week, divided by five (5). A maximum of four vacation weeks can be accumulated. Once an employee has accumulated four vacation weeks of vacation leave, the employee stops accruing vacation leave. Upon separation from employment, an employee shall receive that amount of vacation accrued (no more than four weeks of defined work days) by effective date of separation. No employee will be paid for accrued vacation leave, except for the policy stated above, except at termination. Payment for accrued vacation leave will not be made until the employee's last working day has ended.

An employee starts to accrue sick leave at the end of the pay period following her/his date of employment. Sick leave may be used only when an employee of a dependent is actually ill or for her/his own or a dependent's medical appointments when such appointments cannot be arranged after working hours. The Executive Director may require certification of eligibility for sick leave.

Employees who work twenty (20) hours or more per week earn sick leave at the rate of one (1) day per month for each month of continuous employment. A "day" of sick leave is defined by the hours the employee is hired to work per week, divided by five (5). If an employee's illness lasts longer than the amount of the sick leave, which has accrued, she/he may elect to exhaust whatever accrued vacation leave has accumulated. Employees will not receive monetary compensation for accrued and unused sick leave at termination.

When an employee is absent due to illness, she/he must notify her/his supervisor as soon as possible but no later than 8:30 a.m. or the entire day will be charged against her/his annual leave. An employee must call each day she/he is absent or tardy due to illness, unless a definite duration has been established with the supervisor. An employee must present a medical report if requested to do so by the supervisor.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

1. Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. The Organization's policy is to charge costs to the specific programs and supporting services benefited. Accordingly, expenses specifically identifiable to a function are charged directly to that function. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

m. Deferred Revenue

Advances from grants are deferred and recognized over the periods to which the expenses are incurred.

Note 2 – Grants Receivable

The Organization has the following amounts receivable from grants at June 30, 2011:

U.S. Department of Education - Project Prompt	\$ 26,651
Jefferson Parish Human Service Authority	33,688
Louisiana Department of Education	6,972
Related to Charlene Comstack Gallagher - Speaker	6,763
Louisiana Department of Health and Hospitals	2,814
Office for Citizens with Developmental Disabilities	<u>294</u>
	<u>\$ 77,182</u>

Grants receivable are considered fully collectible; therefore, management does not consider an allowance for doubtful accounts to be necessary.

As of June 30, 2011, amounts owed from the Project Prompt Grant, the Jefferson Parish Human Service Authority and the Louisiana Department of Health and Hospitals represents 76% of receivables. This amount represents a significant concentration of credit risk.

Note 3 – Prepaid Expenses

Prepaid expenses for the year ended June 30, 2011 are as follows:

Prepaid Insurance	\$ 2,020
Prepaid Lease Expense, net	<u>2,500</u>
	<u>\$ 4,520</u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Note 4 – Subsequent Events

Subsequent events have been evaluated through December 16, 2011 which is the date the financial statements were issued and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 5 – Property and Equipment

Property and equipment and depreciation activity for the year ended June 30, 2011 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Equipment	\$ 33,136	\$ 14,106	\$ -	\$ 47,242
Total				
Less:				
Accumulated Depreciation	21,091	8,311	-	29,402
Property and Equipment, Net	<u>\$ 12,045</u>			<u>\$ 17,840</u>

a. Depreciation expense for the year ended June 30, 2011 was \$8,311.

Note 6 – Concentrations

A substantial portion of the Organization's support and revenue is derived from grants for the programs conducted. The various grants are approved on a year-to-year basis. Any unexpended grant funds or unauthorized expenditures must be refunded. The Organization received approximately 93% of its total revenues from Federal and State grantors.

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation with unlimited coverage for noninterest-bearing transaction accounts under the Transaction Account Guarantee Program through June 30, 2012.

Note 7 – Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the U.S. Department of Education, the Louisiana Department of Education, the Louisiana Department of Health and Hospitals and the Jefferson Parish Human Service Authority. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time, although the Organization expects any such amounts to be immaterial.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Note 8 – Lease Commitments

- a. The Organization leases its administrative and program offices under an operating lease expiring January 31, 2015. The rental expenses totaled \$49,418 for the year ended June 30, 2011.

Future minimum lease payments are as follows:

2012	\$ 48,016
2013	48,016
2014	48,016
2015	48,016
Total	<u>\$192,064</u>

- b. The Organization leases a copy machine under an operating lease expiring November 25, 2013. The lease expenses related to this copy machine totaled \$3,077 for the year ended June 30, 2011.

Future minimum lease payments are as follows:

2012	3,077
2013	2,821
Total	<u>\$ 5,898</u>

Note 10 – Third Party Revenues

A substantial share of contract revenues for services to clients is derived under a state third-party reimbursement program. These revenues are based, in part, on cost reimbursement principles and are subject to adjustments by the respective third-party providers. Retroactive adjustments, if any, would not be material to the financial position or results of operations of the Organization.

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR / PASS-THROUGH AGENCY/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
U.S. Department of Education		
Direct Award		
Project Prompt	84.328	\$ 372,347
Passed through Louisiana Department of Health and Hospitals		
Office for Citizens with Developmental Disabilities	84.181	3,816
Passed through Louisiana Department of Education		
IDEA - Part B Set Aside	84.027	<u>118,112</u>
Total U.S. Department of Education		494,275
U.S. Department of Health and Human Resources:		
Funds passed through the Louisiana State Planning Council on Developmental Disabilities		
Stipends	93.630	3,586
Fast Project	93.631	39
Funds passed through the Louisiana Department of Health and Hospitals		
Children's Special Health Services	93.994	55,488
OMH - Family Resource Center	93.958	<u>199</u>
Total U.S. Department of Health and Human Resources		59,312
Total Expenditures of Federal Awards		<u><u>\$ 553,587</u></u>

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Families Helping Families of Greater New Orleans, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Families Helping Families of Greater New Orleans, Inc.

We have audited the basic financial statements of Families Helping Families of Greater New Orleans, Inc. as of and for the year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Families Helping Families of Greater New Orleans, Inc. 's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families of Greater New Orleans, Inc. 's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families of Greater New Orleans, Inc. 's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families of Greater New Orleans, Inc. 's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, *federal awarding agencies* and pass-through entities and the Legislative Auditor of the State of Louisiana and is

not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Taylor & Willis CPAs LLC

Taylor & Willis CPAs LLC
Metairie, LA
December 16, 2011



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

To the Board of Directors of
Families Helping Families of Greater New Orleans, Inc.

Compliance

We have audited the compliance of Families Helping Families of Greater New Orleans, Inc. with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Families Helping Families of Greater New Orleans, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Families Helping Families of Greater New Orleans, Inc.'s management. Our responsibility is to express an opinion on Families Helping Families of Greater New Orleans, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Families Helping Families of Greater New Orleans, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Families Helping Families of Greater New Orleans, Inc.'s compliance with those requirements.

In our opinion, Families Helping Families of Greater New Orleans, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of Families Helping Families of Greater New Orleans, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Families Helping Families of Greater New Orleans, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in

accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families of Greater New Orleans, Inc. 's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, *federal awarding agencies* and pass-through entities and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.



Taylor & Willis CPAs LLC
Metairie, LA
December 16, 2011

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

CURRENT YEAR (6/30/2011)

SECTION II: FINDINGS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE
WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

NONE

SECTION III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE

FAMILIES HELPING FAMILIES OF GREATER NEW ORLEANS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

PRIOR YEAR (6/30/2010)

SECTION II: FINDINGS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE
WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

NONE

SECTION III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE